

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY OF SAN JOSE

MEMORANDUM

TO: OVERSIGHT BOARD	FROM: EDWARD K. SHIKADA EXECUTIVE OFFICER
SUBJECT: SEE BELOW	DATE: SEPTEMBER 5, 2014

SUBJECT: PRESENTATION ON THE PROJECTION OF DISTRIBUTION OF
EXCESS REVENUES TO TAXING AGENCIES

At the November 14, 2013, Oversight Board Meeting, staff presented information on the projected distribution of revenues to taxing agencies. Since then, several Oversight Boardmembers have requested updated information regarding the projected distribution of revenues. The attached slides will be presented in detail at the Oversight Board meeting and provide the latest information available.


EDWARD K. SHIKADA
EXECUTIVE OFFICER

Attachment

For more information, contact Julia Cooper, Chief Financial Officer, Successor Agency,
at 408-535-7011.

Projection of Distribution of Revenues to Taxing Agencies

Oversight Board

Successor Agency to the San Jose Redevelopment Agency

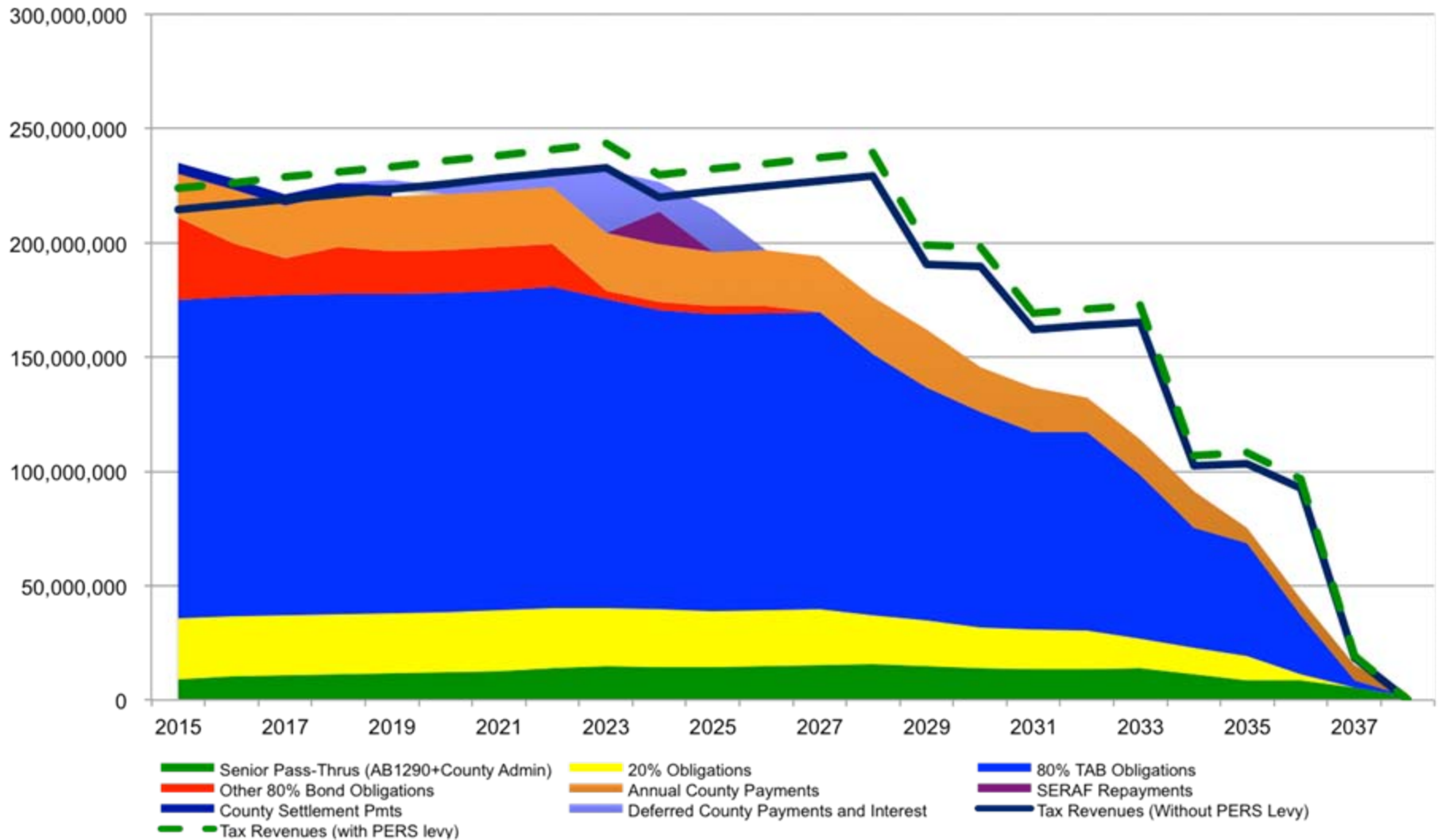
September 11, 2014

Item # 6.1

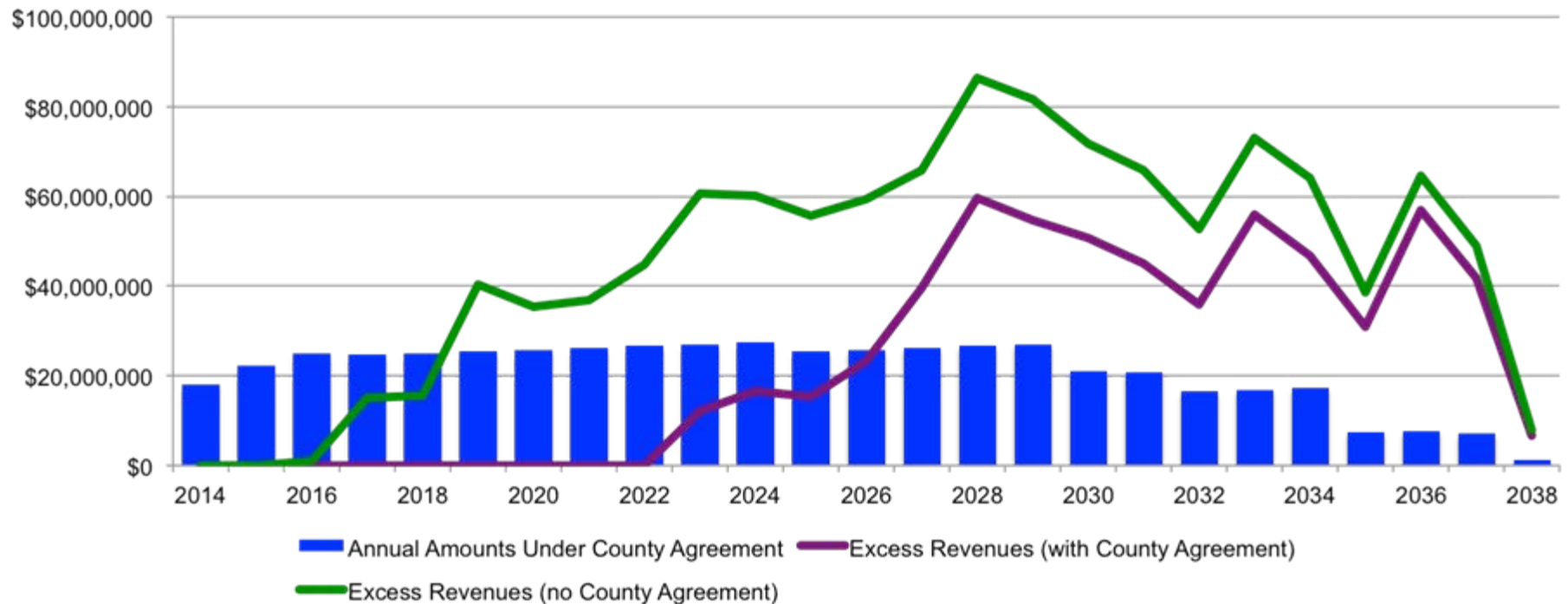
Background on the County Pass-Through Agreement

- ❑ 2001 County Pass-Through Agreement is currently in effect
 - Agreement originally executed in 1983
- ❑ 2001 County Pass-Through Agreement requires renegotiation if material changes occur in State law that affect redevelopment
- ❑ Payments owing to County under 2001 Pass-Through Agreement reduce amount and delay receipt of revenues that otherwise would flow to Taxing Agencies (i.e., County, City, K-12 school districts, community colleges, water districts, and special districts)

Projected Tax Revenues vs. Enforceable Obligations



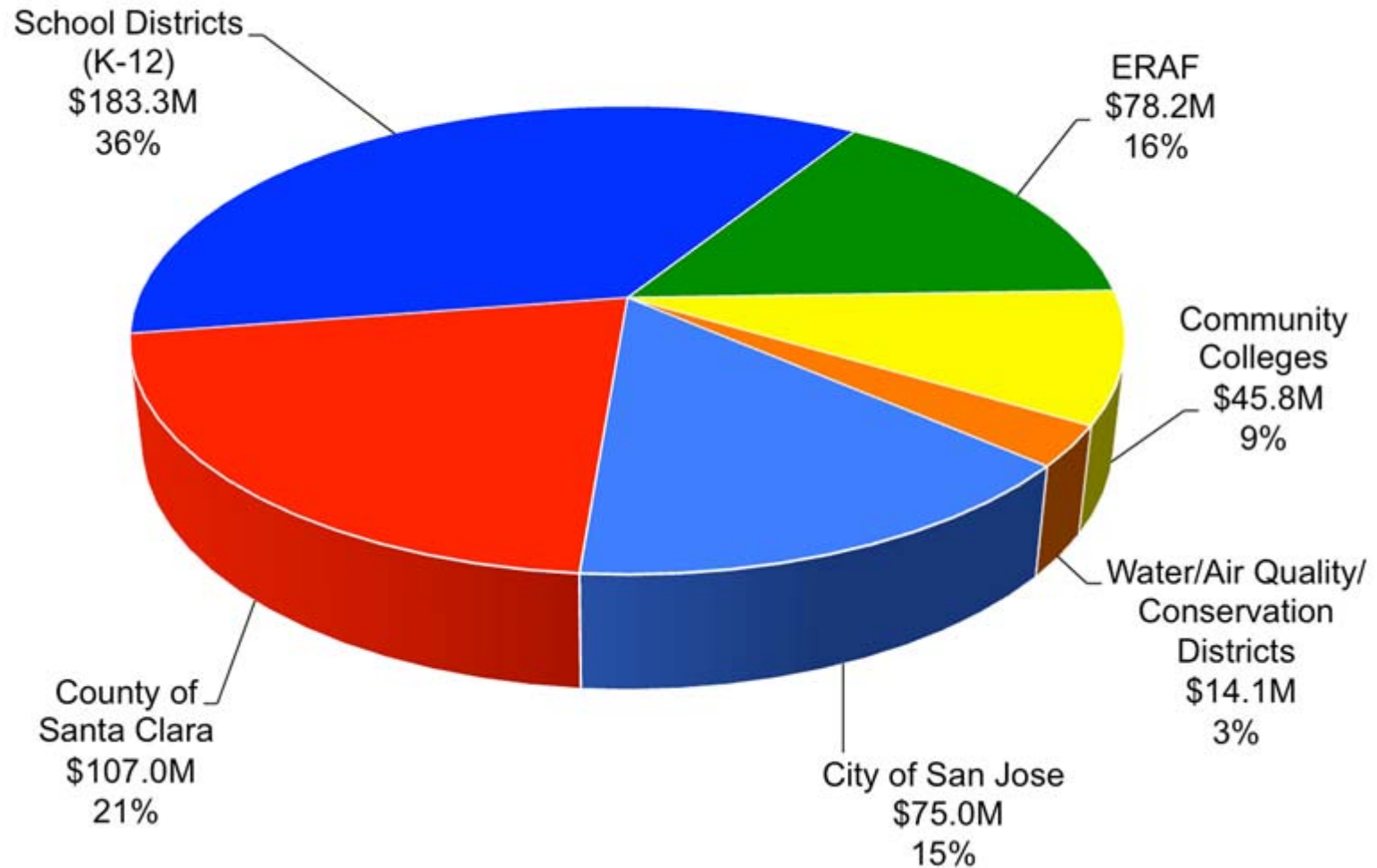
Projected Annual Distributions to Taxing Agencies¹



- ❑ Annual County Agreement payments are projected to total \$503M through 2038 and average \$21 million annually
- ❑ With the County Agreement, excess tax revenues begin to flow to taxing agencies in January 2023
- ❑ With no County Agreement, excess tax revenues begin to flow to taxing agencies in January 2016

¹Assumes no withholding of PERS levy

Allocation of County Agreement Amounts among Taxing Agencies¹



¹ Based on projected cumulative payments of \$503 million through 2038.

- ❑ 2001 Pass-Through Agreement requires renegotiation if material changes in State redevelopment law occur
- ❑ Impact of the 2001 Pass-Through Agreement on Taxing Agencies is substantial
 - Cumulative payments of \$503 million at stake (annual average of \$21 million)
 - Delays distribution of revenues by seven years (2016 to 2023)
- ❑ Successor Agency and County staff should begin the renegotiating process